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Challenging the accountability agenda: what increases an NGO's trustworthiness?



*When it comes to a non-governmental organisation's trustworthiness, there is an unexplored assumption in the literature that the implementation of accountability measures will increase trust. **Vincent Charles Keating** and **Erla Thrandardottir** explain why this 'accountability solution' may*

not in itself increase trust, and that it could actually harm it.

The past two decades have seen a steady increase in the number of organizations that prescribe accountability measures to improve the perception of trustworthiness of non-governmental organisations (NGOs). These include **GuideStar** (1994), the **Sphere Project** (1997), the **Charity Navigator** (2001), the **INGO Accountability Charter** (2008), and the **Core Humanitarian Standard** (2014). This push for accountability measures reflects a wider trend in NGO self-regulation as the best means to promote good behavior in the sector (**Council of Europe**, 2007).

This proliferation of standards and voluntary codes of conduct is understandable and in some ways very useful. Perceptions of trustworthiness are important to NGOs – such organisations are, after all, highly dependent on support from donors, and perceptions of untrustworthiness can lead donors to take their resources elsewhere, the repercussions of which could threaten the very existence of an NGO. In this sense, voluntary self-regulation has sprung up as a way for NGOs to signal to donors that they are trustworthy organizations.

However, self-regulation is increasingly coming under pressure as the best way forward. In the wake of a fundraising scandal that dominated the national headlines, the UK government set up a committee to review the fundraising practices in the sector. The resulting **report** was critical of the sector's self-regulatory practices as overly complex and expensive, and suggested some statutory involvement to 'ensure democratic accountability and "teeth", but without deviating too far from the belief in self-regulation as the 'most appropriate mechanism for the charity sector to show its commitment to high ethical standards which safeguard public trust and confidence.'

Despite the popularity of accountability measures, there has been no sustained consideration of why they should lead to increased perceptions of trustworthiness. Our paper, recently published in the **British Journal of Politics and International Relations**, confronts what has so far been an implicit assumption in this discussion – that NGO accountability must inevitably lead to increased perceptions of trustworthiness.



Trust, like almost all social phenomena, is a contested concept, so there are **a number of models** that explain what trust is and how it works. Our argument is that the accountability agenda uses a model of trust that does not adequately conform to how and why donors trust NGOs. Consequently, it may be saddling NGOs with unnecessary implementation costs and, at worst, might be destructive of existing trusting relationships.

The accountability agenda operates under an implicit model of rational trust. Rational trust models argue that trusting NGOs is a function of two things. First, the amount of information that donors have about the character and interests of the NGO. Second, the ability to enforce external penalties for non-compliance, which incentivizes NGOs to keep their commitments. Almost all accountability frameworks emphasize these two elements – transparency and external oversight in the first place, and institutions that can penalize NGOs in the second. The combination of these two factors allows donors to rationally assess the probability that the NGO will keep their commitments, which will affect their decision to donate resources.

While there is no doubt that a rational model partially explains why donors trust NGOs, we argue that it is insufficient. Social models of trust also need to be considered. There are two effects of the social model that we believe are particularly important.

First, social models of trust suggest that common social attributes, such as shared identity or a common cause, can fill in for missing information. So, where there is a feeling of solidarity between the donor and an NGO, donors will trust with far less information than might be otherwise expected. This might explain why NGOs have been consistently seen as highly trustworthy despite a historical lack of full transparency and oversight that the accountability agenda is supposed to deliver.

Second, social models of trust suggest that trust can lower our perceptions of defection to zero, something that is impossible in the rational model which assumes that uncertainty is escapable. Where we trust, we “live as if certain rationally possible futures will not occur.” These are highly valuable relationships where they are possible, since they will allow NGOs to do their work without having to subject themselves to constant scrutiny.

Seen from the perspective of social trust, the accountability agenda runs into certain problems. First, it is not a process that aids trustworthiness, but a signal of perceived untrustworthiness. Both transparency and external accountability are hedges against defection, a rational response when NGOs are not seen as completely trustworthy. If they were considered trustworthy, then there would be no demand for these measures. Accountability thus acts as an open sign of distrust in NGOs.

Second, this open sign of distrust can disrupt existing habitual trusting relationships. By openly promoting the possibility of defection, the accountability agenda can raise suspicions that move these habitually trusting relationships into a calculated, rational form. This has already been suggested in experimental social psychology, which has shown that external guarantees lead to less trusting outcomes and, when introduced in existing trusting relationships, lower trust to the point that cooperation cannot occur without them. Thus, the accountability agenda might undermine the very relationships it claims to be building and create a permanent change in the relationship that then drives their own demand.

In summary, although the accountability agenda has been popular among certain types of donors, there are some serious questions about whether it can increase trust in NGOs. While not condemning them entirely, our research should serve as a red flag to any outright pursuit of the agenda without further consideration, and these adverse consequences should also be considered in the construction and implementation of existing and future codes of conduct.

Note: the above draws on the authors' published work in *The British Journal of Politics and International Relations*.

About the Authors

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